

EXHIBIT 2
DATE 1-24-2011
HB 243

Dear Chairman and Committee Members

This is Respectfully Submitted in support of HB 243

We all have been effected by a Uninsured Motorist!

This bill will take steps to put some guidance back and Help Individuals be repossivble and obey the laws to drive there Auto!

1 Estimated % of Uninsured Motorist in the State of Montana is 15%

2 Motor Vehicles Registered in Montana is 821,391

3 out of 821,391 base on the 15% uninsured that makes 123,208 with out insurance

4 Talk about why they don't have ins

A insuance Low Priority HB 243 Fixes

B Perceived Risk HB 243 fixes

C Poor Driver HB 243 fixes

D Lower Socioeconomic Status

5 a Avg of over 15,000 ticket given for no ins per year!

A 2nd conviction is over 2,400 per Year! HB 243 Fixes

B 4th is over 200 per year! HB 243 Fixes

6 The Insurance Commissioners reported a person has a 5% chance of being caught driving with out Liability! SB 508 fixes

A SB 508 Address the issue of checking if insurance Card is current!

B Montana Penalties Are ineffective preventive Control Hb-243 fixes

A We need the fines to be greater than the cost of Auto insurance HB 243 fixes

7 The SR 22 Filling of HB 243 Will track the offenders and help them keep on top of their Auto Insurance

And keep it Paid or loss their Drive licenses!

8 Now our law will allow Convicted Drivers can retain License Plate **HB 243 fixes**

9 Improving Detection of Non-Compliance **HB 243 fixes using the SR 22 Filling** and SB 508 making sure insurance is Current!

10 Increase Penalties for uninsured Motorist **HB 243 Fixes**

A Increase Corrective Controls use SR 22 Filling by using this we don't have to create a new Wheel the Insurance Company already have this in placed! This works well! **HB 243 Fixes.**

Montana Auto Insurance Requirements

It surprises some drivers to learn that auto insurance is not mandated by the federal government. Rather, each state creates its own laws regarding this type of insurance. That's why it's important for Montana motorists to spend time researching this state's laws.



Montana State Law Requirements

It is required by Montana state law to purchase liability insurance. This type of insurance takes effect when the owner/operator is deemed at-fault in an accident. State minimum liability requirements are 25/50/10 and are broken down as follows:

- The insurer will pay \$25,000 towards the bodily injury expenses when the other vehicle has a single occupant.
- The insurer will pay \$50,000 towards the combined bodily injury expenses when the other vehicle has multiple occupants.
- The insurer will pay \$10,000 towards the cost to repair property damaged as a result of the accident including the other driver's car, building signs, etc.

Getting just the minimum Montana coverage, not the best idea

Although it's tempting to save money on auto insurance by opting for the minimum Montana requirements, this isn't always a wise idea. The costs of medical care and vehicle repair are continually rising and the expenses incurred from a single accident can easily exceed these minimums. When that happens, the at-fault driver is legally responsible for covering the balance of the bills. So for added protection, consider purchasing more than the minimum.

Comprehensive covers your vehicle better

It's also wise to consider purchasing comprehensive/collision coverage even though Montana does not require this. Comprehensive covers your vehicle from everything except a collision with another vehicle including weather, theft, animal encounters and more. There are exceptions and it's up to you to know what they are. Collision covers the insured regardless of fault. The insurer can choose to cover the repair costs or it can declare the car "totaled" and pay the insured an amount equal to the current market value of the vehicle rather than repair it.

Liability coverage

Finally, consider purchasing uninsured motorist and underinsured motorist insurance. Even though most states require drivers to possess liability coverage, not everyone does. This type of coverage protects you when you're involved in a hit-and-run accident, or an accident involving an uninsured motorist and also when the at-fault motorist has insufficient insurance to cover your vehicle's repair costs.

Uninsured Motorist and Underinsured Motorist coverages, many drivers have these coverages as part of their auto insurance policy but do not understand what they encompass. First most Uninsured Motorist (UM) and Underinsured Motorist (UIM or UNDUM) coverages only cover bodily injury (BI) and not property damage (PD). Many drivers are under the incorrect assumption that Uninsured Motorist will cover damage to their car when likely they only have think UM BI.

Hospital Cost Shifting and Auto Injury Insurance Claims, March 2010. Hospital cost shifting is a major concern of the nation's auto insurance industry. Analyzing and negotiating hospital bills add to the cost of adjusting auto injury claims and, ultimately, insurance premium costs for consumers. As detailed in this report, the IRC estimates that hospital cost shifting associated with bodily injury (BI) liability claims in 38 tort and add-on states resulted in more than \$1.2 billion in excess hospital charges in 2007. The study also illustrates the complex relationship between property-casualty insurance and the broader healthcare and health insurance systems. The study is based, in part, on an analysis of more than 42,000 auto injury claims closed with payment in 2007. Cost: \$125 (PDF), \$140 (Print Copy)

Insurance Research Council

Montana

Montana offers UM and UIM but neither coverage is required. Montana law requires that Uninsured Motorist coverage be offered, but it can be disclaimed (waived) by the person purchasing the insurance. Underinsured Motorist in MT insures you against injury by someone who has automobile insurance, but does not have enough to fully compensate you for your injuries and damages.

Q: Who are the uninsured drivers on the highways and are they causing more injuries or deaths than insured drivers?

A: According to one study, uninsured vehicle owners are more likely to be males, have less education, be under 30 years old, rent their home, have a lower income, and move around more frequently. To figure out whether the uninsured drivers on the highways are really causing a higher percentage of car accident injuries and deaths than folks with car insurance, actually requires studying some of the state car crash/accident statistics so what I did was go to the Ohio Bureau of motor vehicle crash statistics, and I broke out my calculator. Why did I go to Ohio? Ohio has a fairly large total population, and is a melting pot of the United States as a whole, just like when we study the national presidential elections it is representative of a cross-section of the United States. In the year 2007, Ohio had 328,742 car crashes. 15,155 of those same car crashes involved uninsured drivers, and in 11,488 of those 15,155 car crashes the **uninsured** Ohio car drivers were at fault. **That is a whopping 75%.** There are many ways to look at that statistic (not all car wrecks involve two vehicles for example, so if a drunk driver hits a tree there is only that uninsured driver at fault) but I would assume that a random chance would show a 50% at fault rate for the uninsured motorists, assuming any two vehicle crashes, and even in some single car accidents, there is no "at fault" driver if act of god or weather is the sole cause). Based on the Ohio rates I think it is fair to say that the uninsured drivers are causing more than 50% of the wrecks involving the uninsured as one of the parties.